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COURSE MATERIALS
FOR
PROBLEMS IN CORPORATE FINANCE

Spring 1978

Mr. J. Blain

VOLUME ONE

UNIVERSITY OF TORONTO

FACULTY OF LAW

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CORPORATE FINANCE, 1978

Class Topics

1. Introduction Thursday, January 5, 1978
A general discussion of the course followed by a discussion of the topics to be covered and the approach to be taken with an emphasis on the role of the lawyer in corporate finance; a consideration of the requirements for corporate financial disclosure, a consideration of corporate financial statements and their importance in the field of corporate finance; a consideration of what is and what is not revealed by corporate financial statements

2. Basic Instruments of Financing Thursday, January 12, 1978
A consideration, in general terms, of equity and debt; a general consideration of when equity or debt may be appropriate for corporate financing; the debt-equity ratio; leverage or trading on the equity; a general discussion of the differences between equity and debt as a means of financing; a discussion of other means of financing such as lease and leveraged leasing transactions

3. The Sources of Financing Thursday, January 19, 1978
A discussion of the various media which provide financing for corporations; a consideration of the difficulties of the smaller corporation in obtaining financing; the role of banks and venture capital companies in providing financing; government assistance programs; the short term money market; the role of underwriters and the capital markets; a discussion of what dictates the type of financing and securities that should be undertaken or issued

4. Equity Financing Thursday, January 26, 1978
Thursday, February 2, 1978
An analysis of the nature and use of common and special or preference shares as a form of corporate financing; a consideration of the differences between common and special or preference shares; a general discussion of the various rights, privileges and limitations that may be attached to special or preference shares; an analysis of special or preference shares issuable in series and the advantages in issuing this kind of security; the corporate action required to issue shares; share purchase agreements; a consideration of applicable provisions of the Income Tax Act relating to common and special or preference shares

5. Debt Financing

Thursday, February 9, 1978
Thursday, February 16, 1978

A study of the different kind of debt available to a company, the differences between bonds, debentures and notes; a consideration of the borrowing powers of corporations; the necessity of issuing debt securities under a trust indenture; a consideration of the security to be afforded for debt, e.g., a fixed charge, a floating charge or none; a discussion of the floating charge and its value; an analysis of the covenants and restrictions that might be imposed by a lender; the use of an open end indenture and a closed end indenture and when each is appropriate and why; a study of a typical trust indenture under which debt securities are issued; a more detailed study of lease financing and a consideration of how lease financing may be said to resemble debt financing

6. Other Types of Securities -
Hybrids and Sweeteners

Thursday, February 23, 1978

A study of those types of securities which have both equity and debt characteristics, i.e. convertible debt securities; other hybrid securities such as convertible preference shares and share purchase warrants; a study of the "anti-dilution" provisions appropriate for convertible securities; the use of a "rights offering" in corporate finance

7. Non-Public Sources of Financing

Thursday, March 9, 1978
Thursday, March 16, 1978

An examination of the types of lenders which may be considered non-public, i.e. banks, insurance companies and other institutional lenders; an examination of the role of banks in corporate finance; a consideration of the role of an investment dealer in arranging a non-public offering; a consideration of the documentation required in a non-public offering; a discussion of the various types of covenants which an institutional investor may want; a consideration of The Securities Act provisions applicable to a non-public offering; a study of the corporate action required

8. The Public Offering of Securities

Thursday, March 23, 1978
Thursday, March 30, 1978

A general survey of the legislative provisions relating to a public offering of securities; a consideration of how a prospectus is put together; a study of the steps required and documents necessary to clear an issue for sale to the

public; a discussion of the role of the underwriter in a public offering; banking and selling groups; a study of the underwriting agreement; the corporate steps involved in going public

VOL. 2

9. Business Combinations

Thursday, April 16, 1978
Thursday, April 13, 1978

A consideration of various procedures to effect corporate combinations including sale of assets, sale of shares or take-over bids and amalgamations; an examination of the relevant provisions of The Securities Act, The Business Corporations Act and Income Tax Act relating to such combinations; a study of the corporate action required; a general discussion about the problems of valuation

10. Other Legislation Applicable
to Business Combinations

Thursday, April 20, 1978

A study of the Foreign Investment Review Act and its application to business combinations; the procedure and practice under this Act; a consideration of the Combines Investigation Act and its application to business combinations

11. Corporate Reorganization (Time
Permitting)

A study of internal reorganization of a company involving an increase or decrease or reclassification of share capital and the limitations imposed thereon by legislation and security instruments; a review of reorganizations involving a compromise or arrangement

PROBLEMS IN CORPORATE FINANCE

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